



February 22, 2002

ENGROSSED

HOUSE BILL No. 1257

DIGEST OF HB 1257 (Updated February 20, 2002 5:20 PM - DI 87)

Citations Affected: IC 6-1.1; IC 36-3; noncode.

Synopsis: Indianapolis administration. Allows the Indianapolis City-County Council to negotiate with property owners the amount of payments in lieu of taxes (PILOTS) charged to properties that are partially or totally exempt from property taxation because the properties are used to provide housing for low income persons under the federal low income housing tax credit program. Provides that the PILOTS may not exceed the amount of property taxes that would have been imposed if the properties were not subject to an exemption. Reconciles conflicts within the low income housing program property tax exemption statute.

Effective: July 1, 2002.

Crawford

(SENATE SPONSORS — YOUNG R MICHAEL, HOWARD)

January 14, 2002, read first time and referred to Committee on Public Policy, Ethics and Veterans Affairs.
January 24, 2002, amended, reported — Do Pass.
January 28, 2002, read second time, ordered engrossed. Engrossed.
January 30, 2002, read third time, passed. Yeas 89, nays 1.

SENATE ACTION

February 1, 2002, read first time and referred to Committee on Governmental and Regulatory Affairs.
February 21, 2002, amended, reported favorably — Do Pass.

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EH 1257—LS 7058/DI 94+



February 22, 2002

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

ENGROSSED HOUSE BILL No. 1257

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-10-16.7, AS AMENDED BY P.L.185-2001,
2 SECTION 1, AS AMENDED BY P.L.186-2001, SECTION 2, AND
3 AS AMENDED BY P.L.291-2001, SECTION 195, IS AMENDED
4 AND CORRECTED TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2002]: Sec. 16.7. **All or part of** real property is exempt from
6 property taxation if:
7 (1) ~~the real property is located within:~~
8 ~~(A) a county containing a consolidated city; or~~
9 ~~(B) a county having a population of more than thirty-eight~~
10 ~~thousand five hundred (38,500) but less than thirty-nine~~
11 ~~thousand (39,000);~~
12 (2) ~~the real property is owned by an Indiana corporation;~~
13 ~~(3) (1) the improvements on the real property were constructed,~~
14 ~~rehabilitated, or acquired for the purpose of providing housing to~~
15 ~~income eligible persons under the federal low income housing tax~~
16 ~~credit program under 26 U.S.C. 42;~~
17 ~~(4) (2) the real property is subject to an extended use agreement~~

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under 26 U.S.C. 42 as administered by the Indiana housing finance authority; and

~~(5)~~ (3) the owner of the property has entered into an agreement to make payments in lieu of taxes under *IC 36-1-8-14.2*, ~~or~~ *IC 36-2-6-22*, or *IC 36-3-2-11*.

SECTION 2. *IC 36-3-2-11*, AS AMENDED BY P.L.186-2001, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. (a) As used in this section, the following terms have the meanings set forth in *IC 6-1.1-1*:

(1) Assessed value.

(2) Exemption.

(3) Owner.

(4) Person.

(5) Property taxation.

(6) Real property.

(7) Township assessor.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) As used in this section, "property owner" means the owner of real property described in *IC 6-1.1-10-16.7* that is located in a county

~~(1) with a consolidated city. or~~

~~(2) having a population of more than thirty-eight thousand five hundred (38,500) but less than thirty-nine thousand (39,000).~~

(d) Subject to the approval of a property owner, the legislative body of the consolidated city may adopt an ordinance to require the property owner to pay PILOTS at times set forth in the ordinance with respect to real property that is subject to an exemption under *IC 6-1.1-10-16.7*. The ordinance remains in full force and effect until repealed or modified by the legislative body, subject to the approval of the property owner.

(e) The PILOTS must be calculated so that the PILOTS are in an amount **that is:**

(1) agreed upon by the property owner and the legislative body of the consolidated city;

(2) a percentage of the property taxes that would have been levied by the legislative body for the consolidated city and the county upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation; and

(3) equal to not more than the amount of property taxes that would have been levied by the legislative body for the consolidated city and county upon the real property described in



1 subsection (d) if the property were not subject to an exemption
2 from property taxation.

3 (f) PILOTS shall be imposed as are property taxes and shall be
4 based on the assessed value of the real property described in subsection
5 (d). The township assessors shall assess the real property described in
6 subsection (d) as though the property were not subject to an exemption.

7 (g) PILOTS collected under this section shall be deposited in the
8 housing trust fund established under IC 36-7-15.1-35.5 and used for
9 any purpose for which the housing trust fund may be used.

10 (h) PILOTS shall be due as set forth in the ordinance and bear
11 interest, if unpaid, as in the case of other taxes on property. PILOTS
12 shall be treated in the same manner as taxes for purposes of all
13 procedural and substantive provisions of law.

14 **SECTION 3. [EFFECTIVE JULY 1, 2002] IC 36-3-2-11, as**
15 **amended by this act, applies to PILOTS first due and payable after**
16 **December 31, 2002.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, Ethics and Veterans Affairs, to which was referred House Bill 1257, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, delete lines 5 through 42.

Page 3, delete lines 1 through 18.

Page 4, delete line 30.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1257 as introduced.)

KUZMAN, Chair

Committee Vote: yeas 11, nays 0.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Governmental and Regulatory Affairs, to which was referred House Bill No. 1257, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 5, after "16.7." insert "**All or part of**".

Page 1, line 5, delete "Real" and insert "real".

and when so amended that said bill do pass.

(Reference is to HB 1257 as printed January 25, 2002.)

MERRITT, Chairperson

Committee Vote: Yeas 8, Nays 0.

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